

Remarks in Edison, New Jersey

July 28, 2010

Well, I just had a terrific meeting with these small-business owners here at Tastee Sub Shop. And I want to thank Dave and Carl for hosting us here today. And I highly recommend everybody buy a sandwich while you're here. Although, as I said before, I can't eat a 12-inch these days, now that I'm 49—well, I will be in a week.

We talked about some of the difficulties that people have had making payroll and turning a profit during this recession. And we talked about what we can do to make it easier for small businesses to grow.

All of these folks here know why that's important. Small businesses create two out of every three jobs in this country, so our recovery depends on them. And if we want to keep America moving forward, we need to keep investing in our small businesses.

This is, by the way, more than—is more important than just our economy. It's also about who we are as a people, because America has always been a place where if you've had a good idea and you're willing to really work hard for it, you can see it through and you can succeed. That's what gives the worker the courage to leave her job to become her own boss. It's what propels people to risk their savings on an idea that they believe might just change the world. I was hearing from Tom, here, about how he was having trouble finding work 30, 40 years ago and decided that he would take over a business that only had two employees. And now he's an employer for a whole bunch of folks, and he's going to be passing on his business to his family. And that's the American story.

This town, Edison, is named after somebody who was not only one of history's greatest inventors but also a pretty savvy small-business owner. And the small-business people who are here with me today exemplify that same entrepreneurial spirit. And all these companies have seen their share of challenges. All of these small-business owners have had to improvise and adapt over the years, especially in tough times, and that includes over the last couple years.

So Tom and Catherine Horsburgh were telling me that they got through the downturn. In order to do so, they had to market their products to types of businesses that they hadn't sold to before. Brian Bovio's company had to let some people go when the recession hit. But in the 2 years since, he's transformed his business, and now he's making people's homes more energy efficient to save money on their utility bills, and he's been able to start hiring again. He is very interested in making sure that the HOMESTAR proposal that we've put into Congress actually passes, because not only will that help to expand his business, but it's also going to help Americans save energy, not only in this part of the country but all across the country.

Now, all of this hasn't been easy. The recession hasn't—has meant that folks are spending less. It means that small businesses have had a tougher time getting credit and getting loans. And that's why when I took office, we put in place an economic plan specifically to help small businesses. And we were guided by a simple idea: Government can't guarantee success, but it can knock down barriers that keep entrepreneurs from opening or expanding. For example, the lack of affordable credit, that's something the Government can do something about. Government can't replace the millions of jobs that we lost in the recession, but it can create the conditions for small businesses to hire more people through steps like tax breaks.

That's why we've cut taxes for America's small businesses eight times—eight times have we cut taxes for small businesses all across the country. Because of a bill I signed into law a few months ago, businesses are now eligible for tax cuts when they hire unemployed workers, something that could benefit every business represented behind me. Companies are also able to write off more of their investments in new equipment, which Tom and Catherine have taken advantage of. As part of the health reform package, 4 million small-business owners recently received a postcard in their mailbox telling them that this year, they could be eligible for a health care tax credit that's worth perhaps tens of thousands of dollars.

And I was just talking to Dave, who does the right thing by his employees and is providing health insurance—they actually are not paying a significant share for that health insurance. Dave and Carl are doing the right thing by those workers. He's now going to be eligible to potentially get up to 35-percent tax relief on those—premium that he's paying, and that could make obviously an enormous difference in terms of his bottom line and may mean that he can hire some additional workers.

Our economic plan's also supported nearly 70,000 new loans to small businesses. One of these loans made it possible for Tom and Catherine to purchase new equipment. We've waived fees on new SBA loans to save folks money on payments. And that reduced Theo's costs when he opened his new restaurant. His family had a business, a family restaurant. He opened his own, and it saved him more than \$20,000 in waived fees and—money that's now gone into that new restaurant and its 60 new employees.

So all told, these and other steps are making a difference. But when you listen to the struggles that small-business owners are still facing, it's clear that we need to do more. And that's why I'm urging the Senate to approve a jobs bill that will do two big things for small businesses: cut taxes and make more loans available. That's what Dave and Carl and Theo and Brian and Tom and Catherine tell me they can use. And that's what I've heard from small businesses all across America.

If this bill becomes law, small businesses and startups will see the positive benefits right away. It eliminates capital gains taxes for key investments in small firms. It will increase the deductions that small businesses can take for new equipment and other expenses. I know Tom and Catherine are looking at expanding to a larger facility; this can help them do that.

This bill will also make more credit available. Everywhere I go, I hear from small-business owners who simply cannot get the credit they need to hire and expand. And we've been hearing from smaller community banks that they want to lend to these folks but need more capital to do it. So the initiatives in this bill will help them meet those challenges. And it will increase—allow them to increase loan sizes and make sure that we continue to waive fees for SBA loans that have helped a number of the people standing behind me.

Now, let me just make one last point. I know it's no secret that we've confronted a lot of partisan politics over the past year and a half. We've seen a fair amount of obstruction that's had more to do with gaining political advantage than helping the country. But surely, Democrats and Republicans ought to be able to agree on this bill. Now, when I had a conversation with Mitch McConnell and John Boehner yesterday, I told them that the provisions of this bill are things that the Republican Party has said it supported for years: helping small businesses, cutting taxes, making credit available. This is as American as apple pie. Small businesses are the backbone of our economy. They are central to our identity as a nation. They are going to lead this recovery. The folks standing beside me are going to lead this recovery.

So as I said yesterday at—in a meeting with congressional leaders at the White House, I expect us to get this done before they go on vacation, for the folks standing behind me and for small businesses and their employees all across the country.

All right? Thank you very much, everybody. Thank you, guys.

NOTE: The President spoke at 2:42 p.m. at Tastee Sub Shop. In his remarks, he referred to David Thornton and Carl Padovano, coowners, Tastee Sub Shop; Thomas E. and Catherine L. Horsburgh, coowners, Ridgid Paper Tube Corporation, Wayne, NJ; Brian J. Bovio, operations manager, Bovio Advanced Comfort & Energy Solutions, Sicklerville, NJ; and Theo Mastorakos, owner, Mama Roxy's, Rochelle Park, NJ.

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